

Montana Department of Environmental Quality Alternative Energy Revolving Loan Program

1100 North Last Chance Gulch
PO Box 200901
Helena, MT 59620-0901
406-841-5243

Please attach the following:

- ✓ Copy of property tax statement covering collateral
- ✓ Attach any useful brochures or manufacturer's data and any dealer or contractor bids
- ✓ Non-refundable application fee of \$50 for individual or \$100 for joint applications. Checks should be payable to Gateway Economic Development Corp.

Loan Request: Amount \$ _____

How did you hear about this loan program? _____

Applicant: (A) _____ **Co-Applicant:** (B) _____

*SS# (A) _____ *SS# (B) _____

Mailing Address _____ How Long? _____

Location of Project _____ County _____

Former Address _____

Telephone (Work) _____ (Home) _____ E-Mail _____

Income (for previous 12 months): Attach additional pages if necessary

Applicant: Employer _____ Phone _____

Time with Employer _____ Position _____ Monthly Salary \$ _____

Co-Applicant: Employer _____ Phone _____

Time with Employer _____ Position _____ Monthly Salary \$ _____

If you are self-employed or if your income does not come from a regular salary, attach copies of your most recent tax return. We will contact you if we need more information.

<u>Assets</u>		<u>Liabilities</u>				
Bank Account	\$		Financial Institution	Account #	Payment	Balance
Savings Account	\$	Home Loan			\$	\$
Home	\$	Auto Loan			\$	\$
Auto	\$	Credit Card			\$	\$
other	\$	Credit Card			\$	\$
other	\$	other			\$	\$
other	\$	other			\$	\$
other	\$					Total Liability
Total Assets	\$					Net Worth:
						\$

Are you obligated to pay alimony or child support? _____ Amount? _____

Have you filed bankruptcy, lost property by foreclosure, or had other credit problems in the last seven years? _____

If yes, explain: _____

SECURITY: (see instructions page 3)

What security is proposed for the loan? _____

PROJECT INFORMATION:

Describe your project. What is it? What will it do? How will you do it? _____

Local electric utility _____

Will your project be connected to the grid? _____

List any consultants' names and telephone numbers.

Architect:/Engineer _____

Contractor: _____

Dealer: _____

Have you ever had an energy audit? What energy measures were installed? _____

How much energy is your project expected to produce or save? _____ Energy **or** _____ Dollars.**COST ESTIMATE:**

Below, list all project costs, including structures, equipment, material, labor, etc. Has project been started? _____

Use additional sheet if necessary.

<u>EXPENSE ITEM</u>	<u>COST</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
Application fee (\$50 individual, \$100 joint)	\$ _____
Closing costs estimate 2% of loan request	\$ _____
	Total Project Costs \$ _____

Estimated energy project usable life: _____

Date construction is expected to start: _____ Estimated completion date: _____

Describe any anticipated environmental impacts and steps taken to reduce any negative effects:

*******IMPORTANT – READ CAREFULLY – Authorization to Release Credit Information *******

APPLICANT(S) CERTIFIES AS FOLLOWS: that applicant(s) is a resident of Montana; that applicant(s) will use loan proceeds only to construct the energy project described; that the applicant(s) will comply with all applicable rules and laws intended to preserve or enhance environmental quality; that applicant(s) will obtain all applicable local, state, and federal permits, approvals and licenses and comply with their conditions and terms. Applicant(s) authorize the Alternative Energy Revolving Loan Program to verify any facts they deem necessary for loan analysis, including obtaining my/our credit report. Applicant(s) authorizes DEQ to use their name, address, project information and project photos to explain or promote the loan program.

I have enclosed an application and an underwriting fee of: \$50.00, payable to Gateway Economic Development Corp.

(A) _____ (B) _____
 Applicant Date Applicant Date

Applicant(s) need to provide in writing if any application information is to be considered exempt from public disclosure.
 *Disclosure of Social Security numbers is not mandatory. The Department of Environmental Quality intends to use the number to obtain a credit report. The Privacy Act of 1974 prohibits the state from denying a loan because the person does not disclose their Social Security number.

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What Kind of Projects Do We Finance?

Projects must produce useful energy from a renewable source for a Montana residence or small business. Examples of projects include:

1. Photovoltaic or active solar systems.
2. Wind generators.
3. Small hydroelectric generators
4. Geothermal heating systems.

Many other projects are possible as well.

What Can Loan Funds be used for?

Loan funds **can** be used for:

1. Equipment, installation, and other energy project construction costs.
2. Normal loan fees, closing costs, and interest during construction.

Loan funds **cannot** be used for:

1. Cost of acquiring a home or site.
2. Back-up system costs (like a conventional electric furnace or a fossil fuel-powered generator.)

Only the energy project can be financed. For example, AERLP loans cannot pay for a new home, but they can be used for the specific costs of the solar or other renewable energy elements to be built into a new or existing home.

What Loan Security Must I Offer?

You may be able to secure the loan with the alternative energy system components, or AERLP can lend on a first or a junior mortgage if you have adequate equity in your home. Your loan officer will discuss with you the need for an appraisal if property is to be used for security.

How Long are Loan Terms?

Loan terms are a maximum of five years, or may be adjusted to a shorter term. Gateway staff will work with each borrower individually.

How Is My Application Processed?

1. **DEQ** analyzes your request. We review the project's technical merit, then send the application packet to Gateway Economic Development Corporation for financial review and approval.
2. DEQ or Gateway will request any additional information needed to approve your loan application. The application process will suspend until any requested information is received
3. Gateway will evaluate financial information and recommend approval or denial. DEQ makes final decision.
4. Upon approval, DEQ will notify you if funds are available. If there are no funds available at that time, your application will remain active for up to one year. You will be notified when funds become available.
5. Applicants that are not recommended for approval will be notified of the decision and the reason.
6. On approval, you receive a commitment listing the items needed before loan closing. For example, permits and final construction drawings are normally needed.
7. Loan funds will be issued promptly after final loan documents are signed.

How Do I Receive The Money?

Loan funds are usually paid to the borrower within a week of the time the final loan documents are signed. Keep itemized receipts as proof you used the loan only to pay project costs. Installations will be documented to assure that loan funds are used as proposed.

What Is the AERLP Interest Rate?

Interest rates for 2004 are 5%. Interest remains fixed for the term of the loan. DEQ will evaluate interest rates for the program each year and post any changes on the application and the Energize Montana web site.

What Other Loan Costs Are There?

Borrowers pay all costs of operating the loan program. You should expect to pay the following:

1. **Application Fee:** There is a non-refundable application fee that must accompany application, which pays for the credit report. The fee is \$50 for individual or \$100 for joint applications.
2. **Underwriting Fee:** A 2% fee will be charged at closing.
3. **Appraisal Fee:** If an appraisal is required, you will be required to pay the full cost. Your loan officer will discuss with you the need for an appraisal.
4. Fees may be financed with the loan, but the maximum loan amount cannot exceed \$10,000.

IMPORTANT: After a loan is approved, it cannot be increased without going through an approval process. Feel free to estimate loan costs with us.

Do I Receive Energy Tax Credits?

Many projects funded by **AERLP** are eligible for a state energy tax credit. (Tax credit criteria are not the same as loan criteria, so tax credit approval does not necessarily insure loan approval.) Tax credit forms are available with other state tax forms from the Montana Department of Revenue and on the Energize Montana web site.

Will AERLP Insure that My Project Is a Good One?

No, the Montana Department of Environmental Quality May Not:

1. Act as your attorney, engineer, financial or tax consultant. You should hire any professional you need.
2. Guarantee you are making a good investment.
3. Endorse any project, manufacturer, contractor, or component. All evaluations are made only for loan purposes. You should shop for bids and use professional help if necessary.
4. Compel a contractor or engineer to remedy defects in construction or to live up to any contracts they make with you.
5. Insure that any project is safe, feasible, or operable. Inspections are for loan purposes only. You should inspect all work carefully for your own protection.

Applicant(s) need to provide written notice if any application information is to be considered exempt from public disclosure.

Where Do I Send My Application or Go For More Information?

**Montana Department of Environmental Quality
Technical and Financial Assistance Bureau
Alternative Energy Revolving Loan Program
1100 North Last Chance Gulch
P.O. Box 200901
Helena, Montana 59620-0901
(406) 841-5243 or (406) 444-6697
www.deq.state.mt.us or
www.energizemontana.com**